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Via Overnight Mail

May 9, 2012

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED
MAY 10 2012
PUBLIC SERVICE
COMMISSION

Re: Case No. 2011-00401

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of Revised Exhibit __ (LK-8) to the Direct Testimony and Exhibits of Lane Kollen. For the record, this exhibit was substituted for the original exhibit at the hearing.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

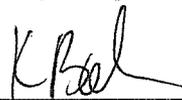
Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Attachment
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and regular U.S. Mail to all parties on this 9th day of April, 2012.



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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

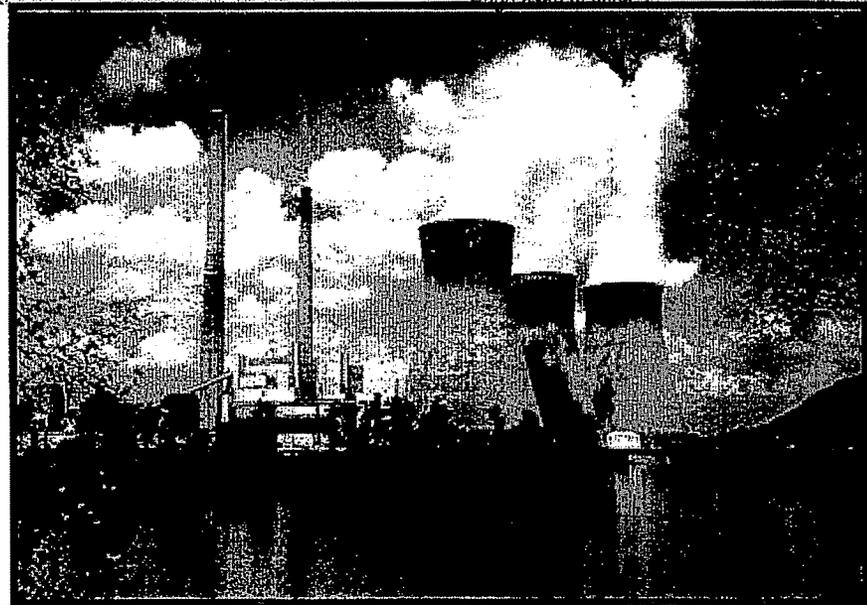
IN THE MATTER OF:

APPLICATION OF KENTUCKY POWER)
COMPANY FOR APPROVAL OF ITS 2011)
ENVIRONMENTAL COMPLIANCE PLAN,)
FOR APPROVAL OF ITS AMENDED)
ENVIRONMENTAL COST RECOVERY)
SURCHARGE TARIFF, AND FOR THE)
GRANT OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR THE)
CONSTRUCTION AND ACQUISITION OF)
RELATED FACILITIES)

CASE NO. 2011-00401

REVISED

EXHIBIT __ (LK-8)



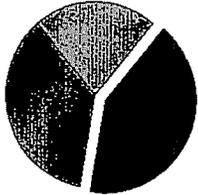
46th EEI Financial Conference Handout

Orlando, FL
November 7-8, 2011



AEP Coal Fleet Assessment

Least Exposed



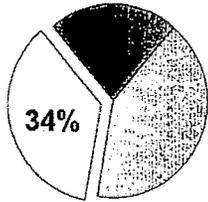
Operating Company	MW
APCo	3,353
AEP Ohio	6,984
Total	10,337

2012 – 2020 Range of Capital (\$ Millions) ⁽¹⁾

Rules	Low	High
Water Rules ⁽²⁾	\$ 15	\$ 20
CCR Rules	\$ 810	\$ 1,080
Air Rules ⁽³⁾	\$ 1,425	\$ 1,900

(1) The impact of all rules continues to be under review. Project scope and technical assessments are ongoing. Any change in scope will impact the capital cost ranges.

Partially Exposed



Operating Company	MW
AEP Ohio	1,385
APCo	470
I&M	3,120
PSO	1,036
SWEPco	2,162
TNC	377
Total	8,550

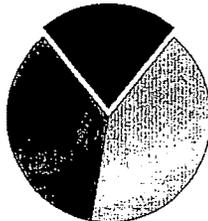
Rules	Low	High
Water Rules ⁽²⁾	\$ 55	\$ 85
CCR Rules	\$ 385	\$ 520
Air Rules ^{(3) (4)}	\$ 2,680	\$ 3,565

(2) Gas plants are not included in MW. Proposed 316 (b) will impact some gas facilities.

(3) Air Rules include: CSAPR as finalized and HAPs and Regional Haze Federal Implementation Plans in OK & AR, as proposed.

(4) Includes NSR Compliance.

Fully Exposed



Operating Company	MW
AEP Ohio	2,538
APCo	1,270
I&M	495
KPCo	1,078 ⁽⁵⁾
SWEPco	528
Total	5,909

Rules	Low	High
Water Rules ⁽²⁾	\$ -	\$ 5
CCR Rules	\$ 30	\$ 45
Air Rules ⁽³⁾	\$ 30	\$ 50
Replacement Generation	\$ 570	\$ 730

(5) Includes Big Sandy Unit 2, which remains fully exposed but, pending regulatory approval, will be scrubbed rather than replaced with new natural gas generation.

Grand Total	\$ 6,000	\$ 8,000
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Retrofits/New Generation

- The tables below represent our estimated \$6 - \$8 billion capital investment from 2012 to 2020 for environmental retrofits on 10,500 MW and new/refueled generation of 2,152 MW. The below costs include management estimates for compliance with CSAPR, HAPs MACT, CCR and 316(b) regulations as currently proposed.

Operating Company	Plant	MW	Type of retrofit	Low Cost Estimate 2012-2020 (\$MM)	High Cost Estimate 2012-2020 (\$MM)
AEP Ohio	Conesville 5	400	SCR, DSI		
	Conesville 6	400	SCR, DSI		
	Muskingum River 5/6*	510	Refuel/ New Natural Gas		
	Gavin 1	1,320	FGD upgrade		
	Gavin 2	1,320	FGD upgrade		
	Zimmer 1	330	FGD upgrade		
	Total MW	4,280	Total Expected Cost	2,100	2,800 **
APCO	Clinch River 1****	211	Refuel with Natural Gas		
	Clinch River 2****	211	Refuel with Natural Gas		
	Dresden	580	New Natural Gas		
	Total MW	1,002	Total Expected Cost	580	765 ****
I&M	Rockport 1	1,310	FGD, SCR		
	Rockport 2	1,310	FGD, SCR		
	Tanners Creek 4	500	DSI, ACI		
	Total MW	3,120	Total Expected Cost	1,240	1,670 *****
KPCCO	Big Sandy 2	800	FGD		
	Total MW	800	Total Expected Cost		525

Operating Company	Plant	MW	Type of retrofit	Low Cost Estimate 2012-2020 (\$MM)	High Cost Estimate 2012-2020 (\$MM)
PSO	Northeastern 3	470	FGD, ACI, Baghouse		
	Northeastern 4	465	FGD, ACI, Baghouse		
	Oklaurion	101	FGD upgrade, ACI		
	Total MW	1,036	Total Expected Cost	700	940
SWEPCO	Flint Creek	264	FGD, ACI, Baghouse		
	Welsh 1	528	ACI, DSI, Baghouse		
	Welsh 3	528	ACI, DSI, Baghouse		
	Pirkey	580	ACI, Baghouse		
	Dolet Hills	262	ACI, Baghouse		
Total MW	2,162	Total Expected Cost	900	1,200	
TNC	Oklaurion	377	FGD upgrade, ACI		
	Total MW	377	Total Expected Cost	80	100

*Both options remain viable depending on outcome of ESP stipulation

**Assumes corporate separation in Ohio is approved and the investment is able to clear the market

***Retired Plant 235MW

**** Total capital invested is expected to be \$366 million for the Dresden plant once completed; \$343 million of which is forecasted to be spent prior to 2012.

***** Includes AEG portion of costs related to Rockport upgrade



Retirements

Operating Company	Plant	MW	Expected Retirement
AEP Ohio	Sporn 5	450	2011
	Conesville 3	165	2012
	Muskingum River 1-4	840	2014
	Picway 5	100	2014
	Sporn 2-4	300	2014
	Kammer 1-3	630	2014
	Beckjord	53	2014
	Total MW	2,538	
APCO	Glen Lyn 5	95	2014
	Glen Lyn 6	240	2014
	Clinch River 3	235	2014
	Sporn 1	150	2014
	Sporn 3	150	2014
	Kanawha River 1	200	2014
	Kanawha River 2	200	2014
	Total MW	1,270	
I&M	Tanners Creek 1	145	2014
	Tanners Creek 2	145	2014
	Tanners Creek 3	205	2014
	Total MW	495	
KPCo	Big Sandy 1	278	2014
	Total MW	278	
SWEPCO	Welsh 2	528	2014
	Total MW	528	
Grand Total		5,109	